AIR POUCH
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FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, GUATEMALA — 237 DESP. NO. — A-790004-1107

TO : THE DEPARTMENT OF STATE, WASHINGTON. — September 11, 1953 DATE

REF : --

SEP 12 1:53

18 For Dept. Use Only	ACTION	DEPT.
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	REC'D SEP 14	INFO OTHER AG COM FRB TAR TR X:B ARMY NAVY AIR CIA OSD PSB

SUBJECT: WEEKA NO. 37 - ECONOMIC SECTION

DECLASSIFICATION DATE 1/30/78

SECTION II PER Ehrman OFFICE ARA

FADRC FOI CASE NO. 740332

This Document Has Been Recommended for Release by the Central Intelligence Agency

714.00(W)/9-1153

Inter-American Highway (Unclassified)

Mexican interest in completing the gap in the Inter-American Highway in northern Guatemala was highlighted this week in press reports that the President and the Director General of the Mexican Highway Association, Sres. Rómulo O'FARRIL and José MARCH, respectively, had called on Col. Carlos ALDANA Sandoval, Guatemalan Minister of Communications, and on President ARBENZ to discuss the subject. Details of the conversations were not made public and Sr. O'Farril's only statement to reporters was that Mexico was ready to pave the last 42 miles of its portion of the road as soon as it was assured that Guatemala would connect with it by closing the Salegua Valley gap.

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Industrial Development (Restricted)

A further indication that implementation of the Government's industrialization program (WEEKA No. 30) may lead to the denunciation or requests for re-negotiation of the United States-Guatemala Trade Agreement, was seen in reports that the National Economic Council sub-committee on customs duties had recommended substantial increases in the tariff rates on manufactured goods competitive with those produced in Guatemala and reductions in the duties on raw materials used in domestic industry. The sub-committee report was not published but the semi-official, pro-Communist Nuestro Diario said it understood that the study termed tariff revision an urgent matter since the existing system obstructed the country's economic development.

Action Assigned to Vinculette

Action Taken Noted

Date of Action

Action Office Symbol

Name of Officer

Action to DC/R

EHMiller/dkp
(9/9/53)

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From

F790004-1108

It will be recalled that two weeks ago in a speech to the conference on the high cost of living, Sr. J. Roberto FANJUL, Minister of Economy, publicly hinted that the Trade Agreement would have to be revised or denounced in order to carry out the industrialization program. (WEEKA No. 35)

R E Schoenfeld

Rudolf E. Schoenfeld

[redacted] UNCLASSIFIED [redacted] SECTION)